

Ed Mahern

State Representative • District 97

Rep. Mahern worked with Gov. O'Bannon to allocate \$20 million from the national tobacco settlement for prescription drugs for seniors

Indiana will be receiving over \$4 billion over the next 25 years from the national tobacco settlement. I believe it was important that we allocate those funds to health care costs, particularly to offer assistance with prescription drugs to senior citizens on lower incomes.



Rep. Mahern with Gov. Frank O'Bannon.

The need for relief is very clear -- recent surveys have shown that health care is the number one issue for seniors. As Congress and the President debate this issue in Washington, D.C., the states need to provide seniors with fair alternatives to high prescription drug costs until the issue is addressed at the federal level. Indiana has taken steps towards assistance by allocating \$20 million for prescription drugs for senior citizens on low incomes.

Seniors need help with prescription drugs

Senior citizens on lower incomes should not have to choose between buying food or the prescription drugs they need to remain healthy. From January 1998 to January 1999, the prices of the 50 most prescribed drugs for older Americans increased by 6.6 percent.

From my visits around the district, the cost of prescription drugs is one of the most pressing concerns among older Hoosiers.

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Seniors account for 12 percent of our population, and they purchase 37 percent of our prescription drugs. They are the largest consumers of prescription drugs in the state, and yet they pay the highest cost of anybody in the state. It doesn't make sense and it isn't fair. That's why I worked with Gov. Frank O'Bannon and other legislators to allocate \$20 million for prescription drugs for senior citizens here in Indiana. I want us to create a buying club -- or some other mechanism -- so that seniors are treated fairly.

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Twenty other states either have a program in place or have enacted legislation establishing a program this year, including Maine, Vermont, Illinois, Ohio, Minnesota, California, Wisconsin, and Nevada.

Rising Prices

According to the consumer watchdog group Families USA, between January 1998 and January 1999, prices for the 50 drugs used most by seniors increased at an average of four times the rate of inflation. The chart below lists the increases for the top 10 drugs used by seniors.

Drug	Increase	Drug	Increase
Lanoxin	15.4%	Vasotec	3.2%
Glucophage	12.3%	Pepcid	3.1%
Synthroid	9.8%	Prilosec	2.7%
Imdur	9.6%	Procardia XL	2.6%
K-Dur	6.2%	Norvasc	2.6%

UPDATE:

Prescription Drug Advisory Committee

The Prescription Drug Advisory Committee is currently holding hearings. In addition, three task forces have been established to deliberate on particular areas of overall concern: Administrative Structure, Eligibility & Benefit, and Evaluation. A final report to the Governor from the Prescription Drug Advisory Committee is expected to be presented on September 1st. After this is done the Family and Social Services Agency will construct and implement the program.

Tax deductions for seniors

The [income tax deduction](#) for seniors with adjusted gross incomes less than \$40,000 per year was increased from \$1,000 to \$1,500. Each qualified taxpayer may take this deduction — meaning married senior couples may now deduct \$3,000 from their adjusted gross income.

Many seniors also received an increase in the [property tax deduction](#) from \$1,000 to \$2,000. The basic eligibility qualifications have been expanded to include senior citizens with a maximum adjusted gross income of \$25,000 and who own property with a maximum assessed valuation of less than \$23,000. However, there are some limitations to the deduction. (1) Everyone who lives on the property must be 65 or older. The deduction is reduced if everyone is not 65. (2) Individuals who share ownership must reside on the property. However, living in a nursing home or hospital will not prevent a person from receiving this deduction. (3) You may not receive any other deductions other than the Mortgage Deduction and the Homestead Deduction.



Rep. Mahern debates legislation on the House floor.

CHOICE home health care

Indiana provides CHOICE in-home services like health care, home cleaning, nutrition, and transportation to permit people who are elderly or disabled to remain in their home instead of being forced into a nursing home.

CHOICE services are provided free to persons with incomes under 150% of the federal poverty level and on a sliding scale for those with incomes up to 350% of the poverty level.

The CHOICE program is a cost-efficient program for the state. The average cost per month for services is about \$600, while the same cost to the state under Medicaid for intermediate nursing home care is over \$2,300.

In the two-year state budget passed in 1993, the CHOICE program received \$21.3 million per year. In the biennial state budget enacted by the legislature this year, \$42.6 million was appropriated for CHOICE services each year.

I believe that next year there should be a significant increase in state budget funding for CHOICE services.

For additional information on CHOICE services in Marion County, please contact CICOA The Access Network at (800) 489-9550.

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